



*Regd Office:*  
9 Cathedral Road  
Chennai 600 086 India  
Tel + 91 44 2812 8500  
www.sanmargroup.com  
CIN U65993TN1995PLC030445

May 25, 2018

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001

Dear Sirs,

**Sub: Audited Financial Statements for the year ended 31st March 2018**


**Ref: Security ID: 3SESL23; Security Code: 953841 - Redeemable Non Convertible Secured Debentures of Rs.10,00,000/- each issued on private placement basis.**

Pursuant to Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we enclose the audited Financial Statements for the financial year ended 31st March 2018, duly approved by the Board in its meeting held today i.e. 25th May 2018.

The Auditors Report on the Financial Statement for the Financial Year 2017-18 is also enclosed herewith.

Thanking you

Yours faithfully  
For SANMAR ENGINEERING SERVICES LIMITED

  
SATYA NARAYAN NAYAK  
Company Secretary  
Membership No. ACS 18677

**Independent Auditors' Report**

To the Board of Directors of

Sanmar Engineering Services Limited

9, Cathedral Road, Chennai 600 086

[Pursuant to Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) (Regulations 2015)]

1. We have audited the accompanying Statement of Financial Results of Sanmar Engineering Services Limited ("the Company") for the year ended 31st March 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which are in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) rules, 2014 (as amended) and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement. An audit includes examining, on a test basis, evidence supporting amounts disclosed in the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the Net Loss and other financial information of the Company for the year ended 31st March 2018.
3. The Statement includes the results for the half year ended 31st March 2018 being the balancing figure between audited figures in respect of the full financial year and the year to date figures up to the half year of the current financial year which were not subject to Audit / Limited review by us.

For PRASAD &amp; SRINATH

Chartered Accountants

Firm Registration No.005826S



S PRASAD

Partner

Membership No.12847

Place: Chennai

Date: May 25, 2018

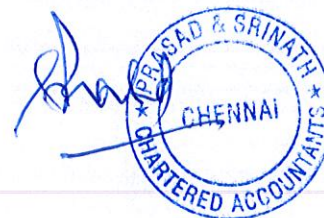
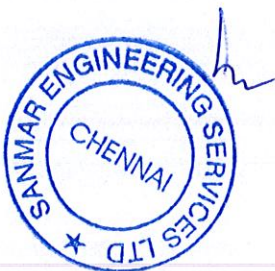




AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. Lakhs)

Particulars	Half year ended 31-03-2018	Half year ended 31-03-2017	Full year ended 31-03-2018	Full year ended 31-03-2017
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>1 Revenue</b>				
(a) Revenue from operations	1011	421	1935	656
(b) Other income	7	316	10	548
<b>Total Income</b>	<b>1018</b>	<b>737</b>	<b>1945</b>	<b>1204</b>
<b>2 Expenses</b>				
(a) Purchase of traded goods	612	168	1362	229
(b) Employee benefits expense	143	102	245	187
(c) Other expenses	70	37	135	190
(d) Depreciation and amortisation expense	0	0	0	0
(e) Finance costs	13344	12556	26108	27580
<b>Total Expenses</b>	<b>14169</b>	<b>12862</b>	<b>27850</b>	<b>28187</b>
<b>Profit / (Loss) before tax</b>	<b>-13150</b>	<b>-12124</b>	<b>-25906</b>	<b>-26983</b>
<b>3 Tax expense:</b>				
(a) Current Tax	0	0	0	0
(b) Income Tax relating to earlier years	9	0	9	0
(c) Deferred Tax	0	0	0	0
<b>Profit / (Loss) after tax</b>	<b>-13160</b>	<b>-12124</b>	<b>-25915</b>	<b>-26983</b>
<b>4 Other Comprehensive Income:</b>				
(a) Items that will not be reclassified to Profit or Loss in subsequent periods				
- Remeasurement of Defined Benefit Plans	0	-2	-1	-3
- Income tax expense relating to above items	0	0	0	0
<b>Total Other Comprehensive Income</b>	<b>0</b>	<b>-2</b>	<b>-1</b>	<b>-3</b>
<b>Total Comprehensive Income</b>	<b>-13159</b>	<b>-12127</b>	<b>-25916</b>	<b>-26986</b>
5 Paid up Equity share capital (Face value Rs. 10 per share)	76	76	76	76
6 Paid up Debt capital	355905	336234	355905	336234
7 Reserves excluding Revaluation Reserves	-89829	-63913	-89829	-63913
8 Networth	-89753	-63838	-89753	-63838
9 Debenture Redemption Reserve	0	0	0	0
10 Earnings Per Share (Rs per share)	-1738	-1601	-3423	-3608
11 Debt Equity Ratio	-3.97	-5.27	-3.97	-5.27
12 Debt Service Coverage Ratio	0.01	0.03	0.01	0.02
13 Interest Service Coverage Ratio	0.01	0.03	0.01	0.02



SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE YEAR ENDED MARCH 31, 2018

(Rs. Lakhs)

Particulars	Half year ended 31-03-2018	Half year ended 31-03-2017	Full year ended 31-03-2018	Full year ended 31-03-2017
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>1 Segment Revenue / Income:</b>				
(a) Services	1011	421	1935	656
(b) Investing	0	0	0	0
(c) Unallocated	0	0	0	0
Total	1011	421	1935	656
Less: Inter-segment Revenue	0	0	0	0
<b>Net Sales / Income from Operations</b>	<b>1011</b>	<b>421</b>	<b>1935</b>	<b>656</b>
<b>2 Segment Results (EBIT)</b>				
(a) Services	217	138	236	176
(b) Investing	26,085	294	26075	421
(c) Unallocated	0	0	0	0
Total	26303	432	26311	597
Less: Finance Cost	13344	12556	26108	27580
Add: Un-allocable income net off unallocable expenditure	0	0	0	0
<b>Total Profit / (Loss) before tax</b>	<b>12958</b>	<b>-12124</b>	<b>203</b>	<b>-26983</b>
<b>3 Segment Assets</b>				
(a) Services	-52734	-26279	-52734	-26279
(b) Investing	319335	299770	319335	299770
(c) Unallocated	0	0	0	0
<b>Total</b>	<b>266600</b>	<b>273491</b>	<b>266600</b>	<b>273491</b>
<b>4 Segment Liabilities</b>				
(a) Services	257	825	257	825
(b) Investing	356096	336504	356096	336504
(c) Unallocated	0	0	0	0
<b>Total</b>	<b>356354</b>	<b>337329</b>	<b>356354</b>	<b>337329</b>



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**Sanmar Engineering Services Limited**  
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 CIN: U65993TN1995PLC030445 Website: www.sesl.co.in  
 Phone: +91 44 2812 8722 / +91 44 2812 8724 Fax: +91 44 2811 2627  
**STATEMENT OF AUDITED ASSETS AND LIABILITIES AS AT MARCH 31, 2018**

(Rs. Lakhs)

Sl. No.	Particulars	As at March 31, 2018	As at March 31, 2017
		(Audited)	(Audited) (Refer Note 2)
<b>A</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	Property, plant and equipment	0	0
	Financial Assets		
	(i) Investments	2,65,661	2,72,061
	(ii) Other Financial Assets	2	2
	Other Bank Balances	0	0
	Non-current tax assets (net)	222	200
		<b>2,65,885</b>	<b>2,72,262</b>
2	<b>Current assets</b>		
	Inventories		
	Financial Assets		
	(i) Investments	74	0
	(ii) Trade Receivables	387	267
	(iii) Cash and cash equivalents	89	306
	(vi) Others Financial Assets	60	645
	Other current assets	105	11
		<b>716</b>	<b>1,228</b>
	<b>Total assets</b>	<b>2,66,600</b>	<b>2,73,491</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	Equity Share capital	76	76
	Other Equity	-89,829	-63,913
	Total equity	-89,753	-63,838
	<b>Liabilities</b>		
2	<b>Non-current liabilities</b>		
	Financial Liabilities		
	(i) Borrowings	3,55,905	3,36,234
	(ii) Other Financial Liabilities	3	6
	Other non-current liability	137	137
		<b>3,56,045</b>	<b>3,36,377</b>
3	<b>Current liabilities</b>		
	Financial Liabilities		
	(i) Trade Payables	108	105
	(ii) Other financial liabilities	79	668
	Other current liabilities	98	173
	Current Tax Liability	24	5
		<b>308</b>	<b>951</b>
	<b>Total liabilities</b>	<b>3,56,354</b>	<b>3,37,329</b>
	<b>Total equity and liabilities</b>	<b>2,66,600</b>	<b>2,73,491</b>



Notes

- The above financial results for the year ended March 31, 2018 were reviewed and approved by the Board of Directors at their meeting held on May 25, 2018.
- The Company adopted Indian Accounting Standards (Ind AS) from the financial year beginning 1-4-2017 and this financial result for the year ended 31-3-2018 is prepared in accordance with the recognition and measurement principles laid down in Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of SEBI circular No.CIR/MD/DF1/69/2016 dated 10-8-2016. The financial results for the year ended 31-03-2017 and Balance Sheet as at 31-03-2017 are restated under Ind AS and have been subjected to audit by the Statutory auditors of the company.
- Reconciliation of Profit / (Loss) and Reserve between IND AS and Previous Indian GAAP for earlier periods and as at March 31, 201

Sl. No.	Nature of adjustments	Profit Reconciliation	Reserve Reconciliation
		Full year ended	As at
		31-03-2017	March 31, 2017
	<b>Net Profit / Reserves as per Previous Indian GAAP</b>	<b>-26,811</b>	<b>-63,969</b>
1	(Increase) / Decrease in borrowing cost pursuant to application of Effective Interest Rate on upfront fees paid	-175	55
2	Impact on reinstating the non-current provisions/liabilities at present value	-0	1
	<b>Total</b>	<b>-175</b>	<b>56</b>
	<b>Net Profit / Reserves as per IND AS</b>	<b>-26,986</b>	<b>-63,913</b>

- The Company has considered business segment as the primary segment. The business activities reflected in the financial statements comprise of sale and repair, testing and reconditioning service of mechanical seals & safety valves and investing activities. Accordingly, the reportable primary segments are Services and Investing activities as per IND AS 108 (Operating Segments).
- The Company has not created debenture redemption reserve as the Company has not made net profit for the year ended March 31, 2018.
- Paid-up debt capital as on March 31, 2018, represents redeemable non convertible debentures issued and term loan taken from financial institution.
- There is no investors' grievances pending or received during the period under review.
- Debentures issued, allotted and listed in the wholesale debt market segment of BSE Limited during the previous period.
  - 19,902 principal protected fully redeemable non convertible secured debentures of face value of Rs 10 lacs each, aggregating to Rs 1990.2 crores (NCDs) (INE676Q07038)
  - The interest on the NCDs is payable on the redemption date i.e. on April 22, 2023.
  - Asset cover exceeds 100% of the principal amount of the NCDs.
- The Company was given credit rating of "BWR BBB-" from M/s Brickwork Ratings India Pvt. Ltd.
- Formulae for computation of ratios are as follows:

$$\text{Debt Service Coverage Ratio} = \frac{\text{Earnings before Interest and tax}}{\text{Interest Expense} + \text{Principal Repayments made during the period for long-term loans}}$$

$$\text{Interest Service Coverage Ratio} = \frac{\text{Earnings before Interest and tax}}{\text{Interest Expense}}$$

$$\text{Debt Equity Ratio} = \frac{\text{Total Debt}}{\text{Equity inclusive of retained earnings}}$$

$$\text{Net worth} = \text{Total assets less its current liabilities, long term debt, and Miscellaneous expenses}$$

- The Statutory auditor has provided a statutory audit report with unmodified opinion on the statement of financial results for the year ended March 31, 2018.
- The previous period figures have been re-grouped / restated wherever necessary.

For Sanmar Engineering Services Limited



P S Jayaraman  
Chairman & CEO  
DIN: 00011108

Place : Chennai  
Date : May 25, 2018

